

## INTERNATIONAL TOWER HILL MINES LTD.

For the annual period ended December 31, 2025

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### Current Business Activities

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##### General

ITH is a company engaged in the acquisition and development of mineral properties. The Company currently holds a 100% interest in a development stage project in Alaska referred to as the "Livengood Gold Project" or the "Project". The Company has not yet begun extraction of mineralization from the deposit or reached commercial production. As of December 31, 2025, the Livengood Gold Project has (i) proven and probable reserves of 430.1 million tonnes at an average grade of 0.65 g/tonne (9.0 million ounces) based on a gold price of \$1,680 per ounce and (ii) a measured and indicated mineral resource, exclusive of mineral reserves, of 274.51 million tonnes at an average grade of 0.52 g/tonne (4.62 million ounces), based on a gold price of \$1,650 per ounce, in each case as reported in the Technical Report Summary (the "TRS") attached as Exhibit 96.1 to the 2022 Annual Report on Form 10-K/A filed with the SEC on October 17, 2023. A more complete description of the Livengood Gold Project, including detailed presentation of resources and reserves, is set forth in Part I, Item 2. Properties of this Annual Report on Form 10-K.

##### *Livengood Gold Project Technical Report Summary*

The TRS details a project that would process 65,000 tons per day and produce 6.4 million ounces of gold over 21 years from a gold reserve estimated at 9.0 million ounces at 0.65 g/tonne. The study utilized a third-party review by Whittle Consulting and BBA Inc. to integrate new interpretations based on an expanded geological database, improved geological modelling, new resource estimation methodology, an optimized mine plan and production schedule, additional detailed metallurgical work at various gold grades and grind sizes, changes in the target grind for the mill, new engineering estimates, and updated cost inputs, all of which significantly de-risk the Project. The TRS has estimated the capital costs of the Project at \$1.93 billion, the total cost per ton milled at \$13.12, the all-in sustaining costs at \$1,171 per ounce, and net present value (5%) at \$1,800/oz of \$400 million.

The Project configuration evaluated in the TRS is a conventional, owner-operated surface mine that would utilize large-scale mining equipment in a blast/load/haul operation. Mill feed would be processed in a 65,000 tons per day comminution circuit consisting of primary and secondary crushing, wet grinding in a single semi-autogenous ("SAG") mill and single ball mill followed by a gravity gold circuit and a conventional carbon in leach ("CIL") circuit.

##### *Whittle Enterprise Optimization*

Prior to beginning the Pre-feasibility Study ("PFS") for the Livengood Gold Project which is summarized in the TRS, the Company retained Whittle Engineering and BBA Inc. to collaborate on an enterprise optimization study (the "Whittle and BBA Study") to review various technologies and project configurations and to recommend the optimum configuration for the PFS. The Whittle and BBA Study reviewed secondary crushing with SAG and ball mill, tertiary crushing with ball mill, gravity/CIL at p80 of 90 micron to 250 micron, stand-alone and auxiliary heap leach configurations, gravity only gold recovery, gravity/flotation with pressure oxidation and CIL of flotation concentrate. These configurations were evaluated at various combinations of project ramp up strategy, annual throughput, primary, secondary, and tertiary grind size, as well as mining fleet size and stockpile management strategies. Tailings technologies reviewed included conventional tailings and pressure filtered tailings.

The Whittle and BBA Study determined that the gravity/CIL plant at p80 250 micron with conventional tailings provided the highest net present value, which is the configuration detailed in the PFS.

The TRS was prepared by independent third-party consultants.

The Company cautions that the TRS is preliminary in nature and is based on technical and economic assumptions

which will be further refined and evaluated in a full feasibility study. The TRS is based on an updated Project mineral resource estimate effective as of August 20, 2021.

The Company has determined that the mineral resource estimate of August 20, 2021 remains current as of December 31, 2025.

### ***2026 Highlights and Outlook***

On January 27, 2026, the Company completed a public offering of 33,672,000 common shares, at an issue price to the public of \$2.22 per share, for aggregate gross proceeds, before deducting underwriting discounts and offering expenses, of approximately \$74.8 million. Concurrent with the public offering, the Company completed a private placement of 19,520,000 common shares to affiliates of Paulson & Co. Inc. (“Paulson”), at the same issue price, for aggregate proceeds of approximately \$43.3 million. The private placement was completed in two tranches, with 18,018,018 issued to Paulson on January 27, 2026 and an additional 1,501,982 common shares issued to Paulson on January 29, 2026 to reflect an upsizing in the size of the \$60 million public offering initially announced by the Company on January 22, 2026.

The Company expects to use the net proceeds of the public offering and private placement to fund the exploration and development of the Livengood Gold Project, including drilling, metallurgical studies, feasibility studies, technical studies, baseline environmental studies, detailed engineering in support of permitting, permitting, legal support, community engagement, mineral lease and land payments, acquisitions, and general corporate purposes.

For 2026, the Company plans to advance metallurgical studies evaluating whether antimony might be recoverable from the massive stibnite veins contained within the deposit, select and engage the technical team to begin the feasibility study, conduct drilling to obtain fresh core for metallurgical test work in support of the feasibility study, as well as conducting community engagement and advancing the baseline environmental data collection in support of the feasibility study and future permitting.

### **Results of Operations**

#### **Summary of Quarterly Results**

<b>Description</b>	<b>December 31, 2025</b>	<b>September 30, 2025</b>	<b>June 30, 2025</b>	<b>March 31, 2025</b>
Net loss	\$ (1,311,876)	\$ (732,303)	\$ (1,925,086)	\$ (669,068)
Basic and diluted net loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

<b>Description</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>	<b>June 30, 2024</b>	<b>March 31, 2024</b>
Net loss	\$ (954,847)	\$ (667,302)	\$ (1,431,915)	\$ (545,308)
Basic and diluted net loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

Significant fluctuations in the Company’s quarterly net losses have mainly been the result of operating cost changes.

#### ***Year Ended December 31, 2025 compared to Year Ended December 31, 2024***

The Company had cash and cash equivalents of \$1,353,333 at December 31, 2025 compared to \$992,487 at December 31, 2024. The Company incurred a net loss of \$4,638,333 for the year ended December 31, 2025 compared to a net loss of \$3,599,372 for the year ended December 31, 2024. The following discussion highlights certain selected financial information and changes in operations between the year ended December 31, 2025 and the year ended December 31, 2024.

Share-based payment charges were \$697,774 during the year ended December 31, 2025 compared to \$613,690 during the year ended December 31, 2024. The \$84,084 increase in share-based payment charges during the year was mainly the result of equity compensation issued or granted to certain contractors of the Company during the year ended December 31, 2025 as compared to the year ended December 31, 2024. The Company granted 332,000 deferred share units (“DSUs”) at an issue price of C\$1.25 per DSU and 240,000 incentive stock options at an issue price of C\$1.25 per option during the year ended December 31, 2025 compared to 441,490 DSUs at an issue price of C\$0.94 per DSU, 240,000 incentive stock options at an issue price of C\$0.94 per option, and 2,500,000 incentive stock options at an issue price of C\$0.64 per option during the year ended December 31, 2024. All DSUs granted in each of these years were fully vested upon issuance. All options granted on June 4, 2025 and May 29, 2024 vest one-third on the grant date, one-third on the first anniversary, and one-third on the second anniversary. Of the 2,500,000 options granted on December 2, 2024, 1,000,000 options vested immediately on the grant date, 500,000 were cancelled on June 2, 2025 when certain market conditions were not met, and the remaining 1,000,000 vested on December 2, 2025, when certain market conditions were met. At December 31, 2025, there was C\$88,963 of unrecognized compensation expense related to unvested options outstanding.

Share-based payment charges were allocated as follows:

<b>Expense category:</b>	<b>Year Ended December 31, 2025</b>	<b>Year Ended December 31, 2024</b>
Consulting	\$ 574,499	\$ 519,249
Investor relations	8,218	6,296
Wages and benefits	115,057	88,145
	\$ 697,774	\$ 613,690

Mineral property expenditures were \$1,596,798 and \$1,211,751 for the years ended December 31, 2025 and 2024, respectively. The increase of \$385,047 is primarily due to increased project-related legal costs for an increase of \$115,445, metallurgical study costs for an increase of \$111,871, higher advance minimum royalty payment for an increase of \$80,455, and increased field supplies and services for an increase of \$77,276.

Excluding share-based payment charges of \$574,499 and \$519,249 for the years ended December 31, 2025 and 2024, respectively, consulting fees increased to \$382,212 for the year ended December 31, 2025 from \$232,896 for the year ended December 31, 2024. The increase of \$149,316 is primarily due to increased services.

Professional services were \$374,099 and \$241,059 for the years ended December 31, 2025 and 2024, respectively. The increase of \$133,040 is primarily due to increased corporate legal costs of \$136,363 partially offset by lower accounting services for a decrease of \$3,323.

Excluding share-based payment charges of \$115,057 and \$88,145 for the years ended December 31, 2025 and 2024, respectively, wages and benefits increased to \$881,515 for the year ended December 31, 2025 from \$869,664 for the year ended December 31, 2024. The increase of \$11,851 is primarily due to higher labor and labor-related benefits \$6,128 and higher year-end payroll and vacation accruals of \$5,723.

Travel costs were \$42,193 for the year ended December 31, 2025 compared to \$33,516 for the year ended December 31, 2024. The increase of \$8,677 is primarily due to increased travel requirements.

Insurance costs were \$162,275 for the year ended December 31, 2025 compared to \$204,677 for the year ended December 31, 2024. The decrease of \$42,402 is primarily due to premium savings as a result of an agent change.

Excluding share-based payments, all other operating expense categories reflected only moderate changes period over period.

Other items amounted to other loss of \$109,584 during the year ended December 31, 2025 compared to other income of \$190,322 during the year ended December 31, 2024. The Company had a foreign exchange loss of \$183,339 during the year ended December 31, 2025 compared to a foreign exchange gain of \$106,386 during the year ended December 31, 2024 as a result of the impact of exchange rates on certain of the Company’s U.S. dollar cash balances. The average

exchange rate during the year ended December 31, 2025 was C\$1 to \$0.7157 compared to C\$1 to \$0.7302 for the year ended December 31, 2024.

### **Liquidity and Capital Resources**

The Company has no revenue generating operations from which it can internally generate funds. To date, the Company's ongoing operations have been predominantly financed through sale of its equity securities by way of public offerings, private placements and the subsequent exercise of share purchase and broker warrants issued in connection with such private placements. There are currently no warrants outstanding.

As at December 31, 2025, the Company reported cash and cash equivalents of \$1,353,333 compared to \$992,487 at December 31, 2024. The increase of approximately \$0.4 million resulted mainly from net financing activities of \$3.8 million partially offset by operating activities of \$3.2 million and a negative foreign exchange impact of \$0.2 million during the year ended December 31, 2025.

Subsequent to December 31, 2025, in January 2026 the Company received approximately \$118.1 million of gross proceeds from an equity financing. Over the next several years, the Company intends to use the net proceeds to fund the exploration and development of the Livengood Gold Project, including drilling, metallurgical studies, feasibility studies, technical studies, baseline environmental studies, detailed engineering in support of permitting, permitting, legal support, community engagement, mineral lease and land payments, acquisitions and general corporate purposes, allocated approximately \$50 million for feasibility and technical studies, \$35 million for permitting and community engagement, and the remainder for corporate G&A and general corporate purposes. Due to the recent completion of the financing, the 2026 budget has not yet been finalized by management and approved by the Board, but anticipated 2026 expenditures will include \$702,865 for mineral property leases and \$214,790 for mining claim government fees. Total commitments for years 2026 through 2031 for mineral property leases and mining claim government fees are \$4,335,942 and \$1,288,740, respectively.

Based on cash and cash equivalents on hand of \$1,353,333 as of December 31, 2025 and approximately \$118.1 million of gross proceeds from the equity financing in January 2026, as at March 10, 2026, management believes that the Company has sufficient financial resources to maintain its operations for the next twelve months.

Financing activities during the year ended December 31, 2025 consisted of a private placement pursuant to which the Company issued 8,192,031 common shares to existing major shareholders to raise gross proceeds of approximately \$3.9 million.

Financing activities during the year ended December 31, 2024 consisted of a private placement, pursuant to which the Company issued 3,807,911 common shares to existing major shareholders to raise gross proceeds of approximately \$2.5 million.

The Company had no cash flows from investing activities during the years ended December 31, 2025 and December 31, 2024.

As at December 31, 2025, the Company had working capital of \$1,015,182 compared to working capital of \$959,703 at December 31, 2024. The Company expects that it will operate at a loss for the foreseeable future but believes its current cash and cash equivalents will be sufficient for it to complete its anticipated 2026 work plan and satisfy its currently anticipated general and administrative costs, through the 2026 fiscal year.

There is no assurance that the Company will be able to obtain the additional financing required to further advance the Project on acceptable terms, if at all. In addition, any significant delays in the issuance of required permits for the ongoing work or the development of the Livengood Gold Project, or unexpected results in connection with the ongoing work or the development of the Livengood Gold Project, could result in the Company being required to raise additional funds to advance the Project.

Despite the Company's success to date in raising significant equity financing to fund its operations, there is significant uncertainty that the Company will be able to secure any additional financing in the future. See "Risk Factors – *We will require additional financing to fund exploration and, if warranted, development and production. Failure to obtain*

*additional financing could have a material adverse effect on our financial condition and results of operation and could cast uncertainty on our ability to continue as a going concern.”* The quantity of funds to be raised and the terms of any proposed equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once financing has been completed and management knows what funds will be available for these purposes.

Other than cash held by its subsidiaries for their immediate operating needs in the United States, all of the Company’s cash reserves are on deposit with a major Canadian chartered bank. The Company does not believe that the credit, liquidity or market risks with respect thereto have increased as a result of current market conditions.

## **Critical Accounting Estimates**

### ***Mineral property assets***

The Company’s mineral project is currently in the development stage, as defined under subpart 1300 of Regulation S-K. Mineral property acquisition costs are capitalized when incurred. Mineral property costs are expensed as incurred. At such time that the Company makes a decision to proceed to production, subsequent mineral property expenses will be capitalized during the development of such property.

The Company assesses interests in its mineral property assets for impairment at least annually, but will also conduct an assessment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assets that are tested for recoverability are the Company’s long-lived assets related to mineral property rights and claims. At December 31, 2025, the Company’s mineral property assets totaled approximately \$55 million. As these assets are all similar in nature (they represent mining claims or rights to mining claims all within the same area), they are viewed as one asset group for impairment testing purposes. The Company evaluates recoverability of its mineral property assets based on the undiscounted cash flows using the life of mine cash flows beginning with production as stated in the TRS for the Livengood Gold Project, which uses a life of mine of approximately 21 years. The estimates used in the life of mine cash flows are subject to uncertainty, including as a result of the assumed gold price.

At the reporting period end, price of gold is compared to the prior year-end gold price. The price of gold on December 31, 2025 was \$4,308, which is \$1,697 and 65% higher than the price of \$2,611 at December 31, 2024. The Livengood Gold Project is a long-term project that will take time to develop and eventually monetize making the use of a longer-term gold price assumption in the TRS more appropriate compared to recent spot prices for gold.

As at December 31, 2025, the Company concluded that the recoverability of the mineral property assets exceeded the carrying value.

Impairment analysis includes assessment of the following circumstances: a significant decrease in the market price of a long-lived asset or asset group; a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition; a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset or asset group, including an adverse action or assessment by a regulator; an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset or asset group; a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group; or a current expectation that, more likely than not, a long-lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The term more likely than not refers to a level of likelihood that is more than 50%.

### ***Stock-based compensation***

The Company follows the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Section 718 “Compensation - Stock Compensation”, which establishes accounting for equity-based compensation awards to be accounted for using the fair value method. The Company uses the Black-Scholes option pricing model to determine the grant date fair value of the awards. The fair value of performance leverage stock grants with market conditions is determined using a Monte Carlo simulation model. Compensation expense is measured at

the grant date and recognized over the requisite service period, which is generally the vesting period.

**Recently Adopted Accounting Policies**

For a description of recently adopted accounting policies, please see Note 2 – *Summary of Significant Accounting Policies* within our Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.